GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

STARRED QUESTION NO:113
ANSWERED ON:30.07.2001
MAIL DELIVERY SYSTEM
CHANDRA BHUSHAN SINGH

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the mail delivery system of postal department has been affected badly due to use of electronic communication and hike in postal tariff;

(b) if so, the details thereof;

(c) whether the postal system is facing challenges on many counts;

(d) if so, whether revenue deficit in department of posts which has been steadily increasing over the year, has not shown any downward trend; and

(e) if so, the remedial steps being considered by the Government in this regard?

Answer

THE MINISTER OF COMMUNICATIONS (SHRI RAM VILAS PASWAN)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (e) OF LOK SABHA STA QUESTION NO. 113 FOR 30th JULY, 2001 REGARDING MAIL DELIVERY SYSTEM.

Use of electronic communication has not substantially affected the postal services in the country. In fact, the total mail traffic in the country is progressively increasing over the years as can be seen from the table below:

(In Crores)

Category of Mail	1997-98	1998-99	1999-2000
Registered & Unregistered articles	1574.92	1576.64	1578.15

However, alternative modes of communication in the form of e-mail and the charging of telephone calls within a radius of 200 kms. at the rate of local calls have an effect on the growth of postal traffic. The hike in postal tariff being effective from 1.6.2001, its impact on the growth of traffic is yet to be seen.

The total revenue receipts including the recoveries are increasing every year and the percentage of increase ranges from 5% in 1996-97 to 21% in 1999-2000. The percentage of increase in the working expenses during the same period also ranges between 4.6% in 1996-97 and 21% in 1999-2000. The growth in deficit of the Department of Posts is mainly due to high establishment expenditure and lower postal tariffs fixed for the services rendered by the department.

The department is making all possible efforts to contain the deficit. The field units are instructed from time to time to restrict the expenditure on ceiling items like office expenses, overtime allowance, travelling expenditure and medical expenditure.

Efforts are also made to generate additional revenue through steps like plugging the leakage of revenue, introduction of new technology and introduction of value added services like Money Transfer via Satellite, Greeting Post, Speed Post - Passport Service, Data Post, Express Parcel Post, Business Post, International Money Transfer Service and Distribution of Mutual Fund through Pos Offices.